

# **FISCAL NOTE**

## **SB 2642 - HB 3245**

February 11, 1998

**SUMMARY OF BILL:** Exempts partnership from the Hall Income Tax if 100% of the partnership is owned directly by two or more corporations. Corporations are currently exempt from the Hall Income Tax, but partnerships are subject to such tax in certain cases.

### **ESTIMATED FISCAL IMPACT:**

**Decrease State Revenues - Exceeds \$1,000,000**

**Decrease Local Govt. Revenues - Exceeds \$600,000**

Assumes that partnerships represent approximately 5% of Hall Income Tax revenues, with approximately 25% of those partnerships being exempted by this bill. Also assumes Hall Income Tax collections in FY98-99 of \$138,000,000.

The Hall Income Tax is apportioned 62.5% to the state and 37.5% to local governments by situs.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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